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BANGLADESH

PRESS RELEASE

USAID MOBILIZES FINANCING FOR SAFETY IMPROVEMENTS IN BANGLADESH READY-MADE GARMENT INDUSTRY

Dhaka September 30: The United States Agency for International Development (USAID) today signed two new credit guarantee facilities that will make up to \$22 million available to finance factory upgrades and safety improvements in Bangladesh's ready-made garment industry. This landmark partnership between USAID, Prime Bank Limited, and United Commercial Bank (UCB) will make affordable, long-term credit more available to small- and medium-sized suppliers in Bangladesh to make critical safety upgrades and structural improvements to better protect their workers and meet international standards.

The first agreement will guarantee up to \$18 million in bank loans to ready-made garment factories that supply brands which are members of the Alliance for Bangladesh Worker Safety (the Alliance). This guarantee partnership with Prime Bank and UCB was also made possible through a financial commitment by the Alliance of one million five-hundred thousand dollars (\$1.5 million) to support the guarantee.

The second agreement will guarantee up to \$4 million in bank loans to target financing opportunities to factories that are part of the Bangladesh Accord for Fire and Building Safety (the Accord) and the Government of Bangladesh's Tripartite Action Plan that is supported by the International Labor Organization.

Under the new agreements qualifying ready-made garment suppliers will have the opportunity to access long-term Taka and U.S. Dollar-denominated loans. The two facilities together will significantly improve affordability and access to financing for ready-made garment suppliers and improve the safety and working conditions for garment factory workers.

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The U.S. Government, through USAID, has provided over \$6 billion in development assistance to Bangladesh since 1971. In 2014, USAID provided nearly \$200 million to improve the lives of people in Bangladesh. USAID supports programs in Bangladesh that expand food security and economic opportunity, improve health and education services, promote democratic institutions, and increase resiliency to climate change.

USAID is committed to improving the safety and working conditions in the ready-made garment industry. Our programs help labor leaders register unions and provide workers with the skills and support necessary to protect their rights, promote their interests, and advocate for improved conditions in their workplace and community. USAID also provides training to factory managers and leadership to improve overall operational safety in the workplace.

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